Increase in foreign trade deficit

4370. PROF. M.M. AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of increase in country's foreign trade deficit during the last three years;

(b) what are the reasons for the widening gap between imports and exports; and

(c) the necessary steps being taken by Government for increasing India's exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) According to the latest data available from the Directorate General of Commercial Intelligence & Statistics (DGCI&S), Kolkata, the details of increase in country's foreign trade deficit during the last three year is given below:

Year	Exports	Growth Rate	Imports	Growth Rate	Trade Deficit
2002-03	52.72	20.29	61.41	19.45	-8.69
2003-04	63.98	21.36	78.25	27.42	-14.27
2004-05(P)	79.59	24.41	106.12	35.62	-26.53

(b) and (c) The primary reason for increase in trade deficit during 2004-05 was the surge in oil prices and demand from a growing economy. A number of key strategies have been adopted in the Foreign Trade Policy (FTP) and its annual supplement to increase India's exports. These include simplification of procedures, reduction in transaction cost, neutralisation of incidence of levies & duties used for export production, development of global hubs for manufacturing, trading & services and identification & promotion of thrust areas for exports.